



THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE

# *Household Goods and Freight Forum*

John B. Ficker  
President

National Industrial Transportation League  
February 23, 2005

---

<http://www.nitl.org>

## Phase I -- 1907 -1985

---

- ICC
- Regulatory
- Technical Expertise
- Domestic
- Confrontational



## Phase II -- 1986 -2002

---

- De-Regulation
- Legislative
- Technical Education
- Training
- International
- Cooperative



## Phase III -- 2003 -

---

- Vision 2020
- Value Added
- Educational
- Business Integration
- Legislative
- Collaborative





# *Today Who is a Shipper?*

- Traditional Definition
  - An entity that manufactured products for delivery to customers or secondary manufacturing.
- Five elements have changed this definition
  - Deregulation of all modes of transportation
  - The growth of intermodalism
  - The growth of information technology
  - Outsourcing
  - Globalization

# *Today's Definition*



THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE

- A shipper can be any entity that is engaged in the movement of freight, whether manufacturer, distributor, third party logistics provider or a 'carrier' using another mode as a means to provide service to their customer.





## *What are Shipper's needs*

- A goal of a shipper is quite simple
  - Turn product or service into cash!
- To achieve this goal there are three common requirements
  - Capacity
  - Performance
  - Cost
- Shippers with different needs will prioritize these differently.

# *What is the Shipper Perspective*



THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE

- Economic growth in a consumer economy means increased goods movement – an opportunity for all transportation providers
- Shippers will always look to meet the demands of their customers
  - Many demands are seasonal, i.e. holidays
- Shippers will utilize the transportation mode and provider that allows them to meet their customer's needs
- Will capacity keep up with demand?
- What will it take to meet this demand?



# Concerns

- Rates are not the issue
  - Shippers will pay for value
- Value consists of:
  - Focus on Customer Needs
  - Consistent Service
  - Competitive Pricing
  - Marketing Innovation
  - Competitive Choices
- Can the current model sustain itself?



# *Major Issues*

- Security
- Capacity
  - Infrastructure
  - Human Resources
- Energy policy
- Labor/Management Issues
- Regulatory Policy
- Environmental Policy





# Challenges

- Three major challenges
  - Growth
  - Interdependency
  - Volatility

# Growth



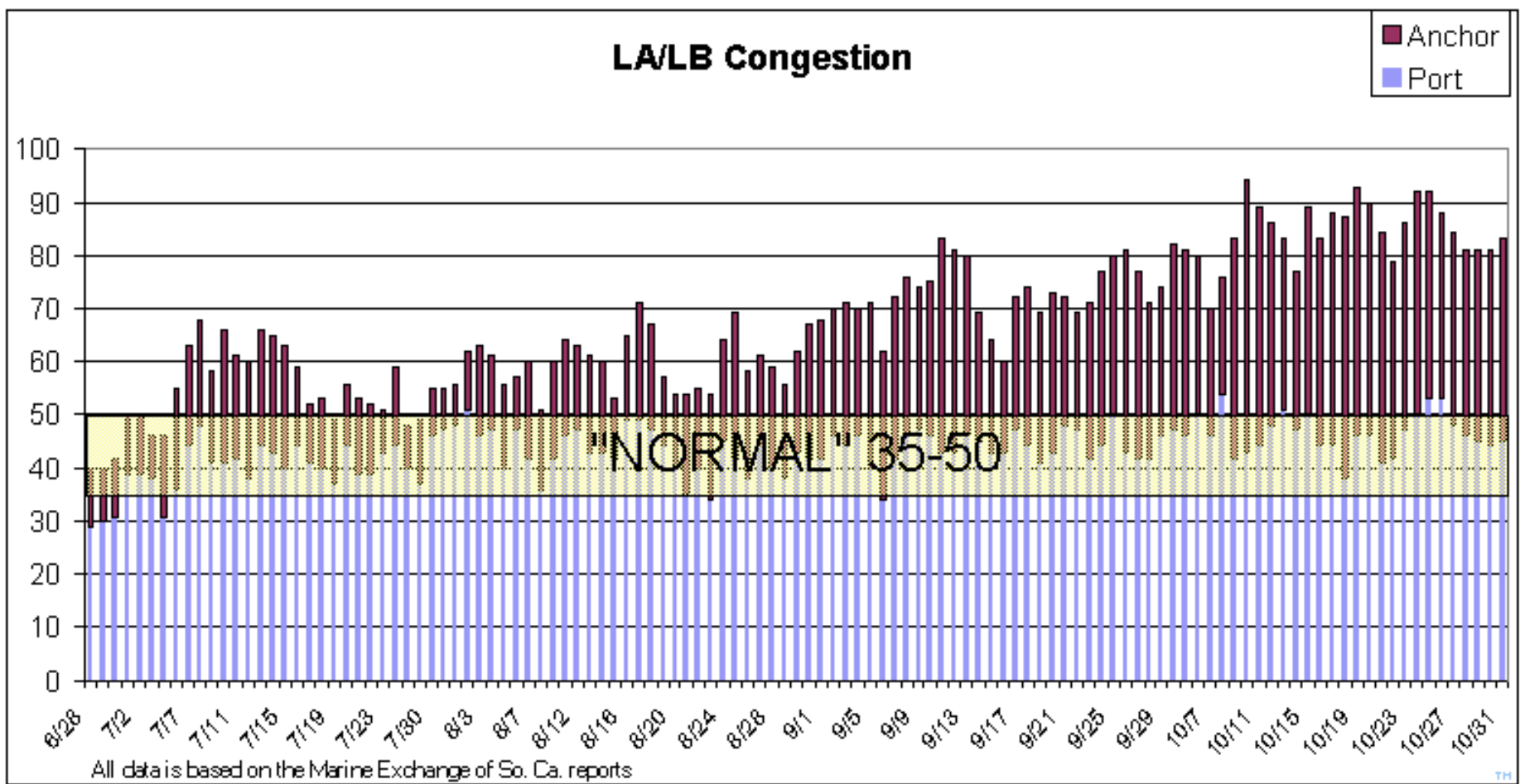
THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE

- Plan for growth – new volumes
- Congestion – both domestically and internationally
- Increase capacity
  - New infrastructure
  - Productivity Improvement
- Government Dilemma
  - Balance local issues – environment, local needs
  - Needs of the global economy

# Some Facts



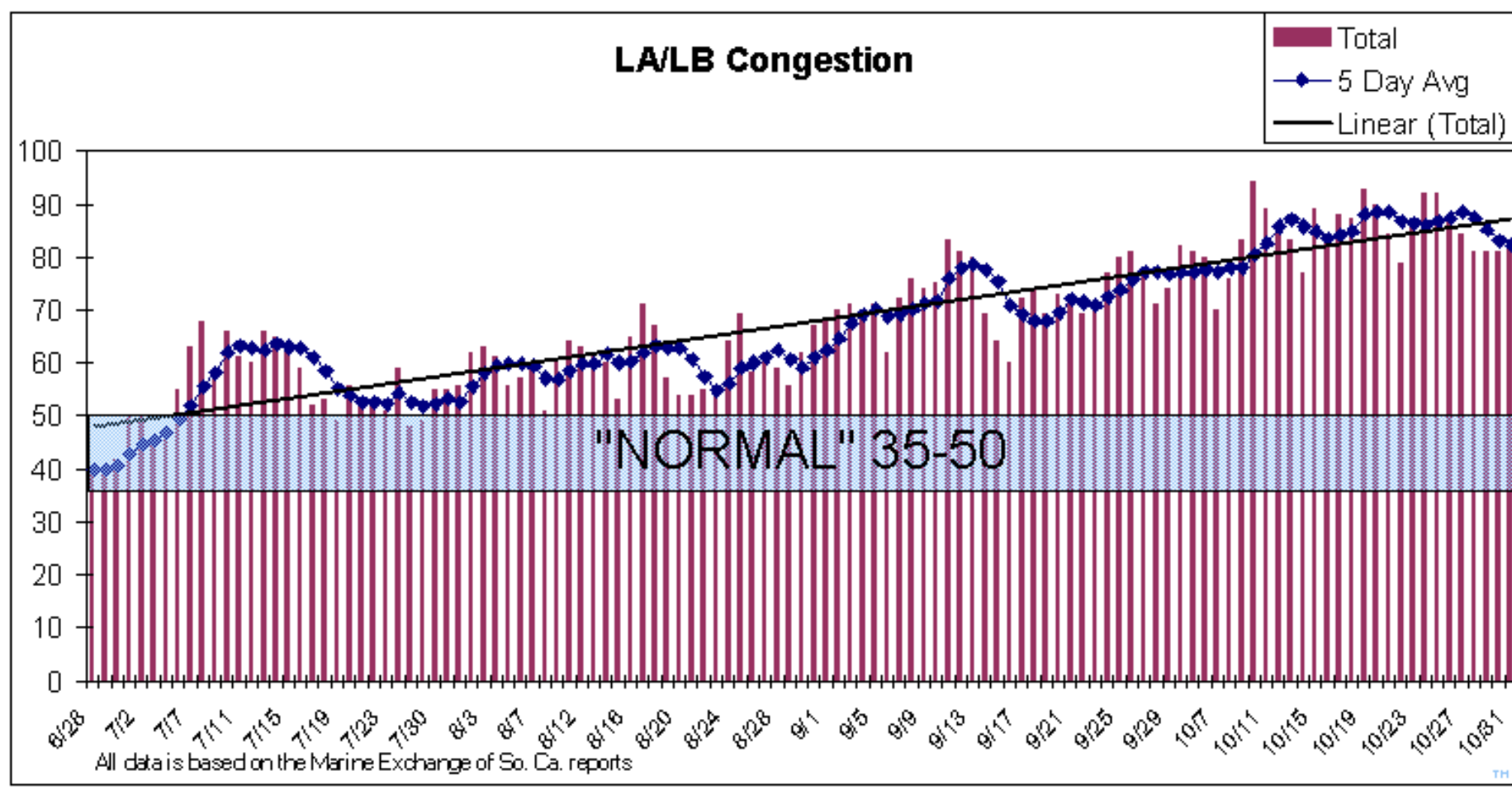
THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE



# Some more facts



THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE







# *Interdependency*

- Globalization is here and will not be reversed
- New economic forces arising – e.g. China
- Complex Supply Chains
  - Manufacturing on the move

# *Volatility*



THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE

- Change is a part of the new world order
- Shippers and Carriers must adapt to a much faster pace of change
- Shippers are looking for solutions
- The impact of security concerns – insuring a safe and secure supply chain

# *The Reality*



THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE

- “Freight is the circulatory system of our economy.”
- Demands of consumers will continue to grow
- Current capacity will not meet even the most conservative growth estimates

# *The Need*



THE  
NATIONAL  
INDUSTRIAL  
TRANSPORTATION  
LEAGUE

- A Freight Transportation Policy at the Global, National, State and Local level that:
  - Recognizes the inherent value of each mode of transportation
  - Provides incentives to all modes to improve efficiencies and productivity
  - Encourages not only competition between and within modes, but cooperation to take advantage of inherent advantages of each mode.
  - Is inclusive of all stake holders, public sector, labor, etc.





## *Summary*

- Continued meet the transportation needs will require all concerned be involved
  - Shippers
  - Governments around the world
  - Carriers – all modes
  - Labor
  - Third parties